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SUBJECT: PARAGUAY "VALE LA PENA"

REF: ASUNCION 903

Classified By: AMB JAMES C. CASON: REASONS 1.4 (B AND D)

11. (C) SUMMARY: Ambassador met August 31 with Paraguay's new Minister of Tourism, Liz Rosanna Cramer Campos. They discussed marketing strategies to attract tourists to Paraguay, American Airlines and the Tourism Law, the problematic airline situation in Paraguay and visas for American citizens. END SUMMARY.

Paraguay "Vale La Pena"

12. (C) Ambassador called on new Minister of Tourism at her office on August 31. Ambassador was accompanied by CONSUL (notetaker). The Ambassador began by noting that "Paraguay Vale la Pena." ("Paraguay is worth it.") But the government needs to promote more effectively all that Paraguay has to offer, especially in the way of natural beauty. Minister Cramer agreed and admitted that Paraguay has much work to do to attract tourists, as it lacks proper infrastructure, a development plan and a national strategy. The Ambassador suggested there were many ways to attract tourism and investment to Paraguay. However, first the Congress and the Executive Branch needed to repeal the 2005 law that legislates that travel agencies receive a six percent fee on all airline tickets sold. This law undermines tourism to Paraguay and was the immediate reason American Airlines decided to cease operations in Paraguay in February 2006. The Ambassador further stated that in repealing it, the benefits of greater access to the world, less expensive and more competitive airfare prices and easier access for visitors far outweigh the potential future cost to some travel agents of reduced commissions. Cramer firmly agreed and remarked that "everyone has suffered and has been affected by the Tourism Law at all levels." She added that Tomas Bittar, the Director of Paraguay's Civil Aviation Authority (DINAC), is pushing to reduce airport fees to attract more air carriers to the market. The Ambassador remarked that he thought American Airlines might return to the market if these changes were made and in turn Paraguay could be able to appeal to the U.S., European and other markets.

Changes Coming Soon for Local Travel Agencies

13. (C) Cramer recognized that she must send a message to local travel agencies and get them on board to agree with her views on how to facilitate tourism to Paraguay. Without an airline market "Paraguay cannot do anything." She confided that everyone recognizes that Paraguay needs more airline options; getting them was one of her principal goals. Cramer opined that problems existed before between the former Minister and the travel agencies and airlines in that there was no interlocutor between them and other options were not explored before the law was introduced. Cramer told the

Ambassador that it was time for change and that she plans to change the image of Paraguay and to be more competitive in the travel market. She said she will send key travel agency company representatives to the exterior to visit travel agencies to learn more about how they do business, particularly those that do not charge a commission. Cramer proposed sending some to the United States.

Visas for American Citizens - "Absurd!"

¶4. (C) Ambassador suggested Paraguay could facilitate tourism by either eliminating the visa requirement for American citizens or implementing a more user-friendly system which allows American citizens to apply through the internet or purchase a tourist card at the port of entry. Cramer said she thought it was "absurd" that Paraguay required visas of American citizens. However, she understood that the fees collected supported Paraguayan Consular operations overseas and it was probably unlikely that visas would be waived. Ambassador relayed to Cramer Foreign Minister Ramirez' recent assurance of the need to establish reciprocity in visa issuance and that an immediate circular would be sent to all Paraguayan Consuls instructing visas for American citizens to be issued for multiple entry for the validity of the U.S. passport (see reftel 903). The Ambassador further relayed that Ramirez requested the U.S. Consul's collaboration to brainstorm and help develop a new system for visas or other documents to facilitate entry into Paraguay.

Niche Tourism, Kiosks and More

¶5. (C) The Ambassador suggested that Cramer explore niche tourism and suggested that she look into the advances Botswana has made. He also suggested that she recruit the collaboration of Paraguay Vende, the Paraguayan/American Chamber of Commerce, private businesses and the Paraguayan community living in the U.S., especially in NY and northern NJ. Cramer thanked the Ambassador for his suggestions and advised that \$2.5 million dollars has been approved by the IDB for the care, development and restoration of four Jesuit Mission Ruins. She said that this is a three-year long project and the first Jesuit Ruin to benefit will be Trinidad.

Who is the new Minister of Tourism?

¶6. (U) Liz Rosanna Cramer Campos assumed office on August 22 and most recently worked at the Red de Inversiones y Exportaciones (REDIEX), the investment and export promotion office of the Ministry of Industry and Commerce. At REDIEX, she was the manager of the tourism sector and was responsible for encouraging cooperation among the private and public sectors and educational institutions to increase competitiveness of the tourism sector. Cramer holds Master Degrees in Hotel Administration (Rome) and Business Administration (Madrid). She received her Bachelors Degree (Cum Laude) from Florida International University in Hotel and Tourism. Cramer can speak Spanish, English, Portuguese and Italian. She also has a good knowledge of German and Guarani (indigenous language of Paraguay).

¶7. (C) COMMENT: Minister Cramer brings a refreshing and open outlook to her work at the Ministry. Her prior work and experience at REDIEX should help transform the image of Paraguay and entice international visitors. Cramer received her Bachelor's Degree from a U.S. university and also has prior U.S. work experience. This experience should lend her a perspective to better market Paraguay. END COMMENT.

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